boom isn't going to slow'' and is ''fiscally irresponsible.''

Once fully phased in, the Republican bill would forgo nearly $50 billion a year in revenue with no guarantee that this revenue loss will not harm Social Security and Medicare in future years.

The bill's sponsors say it will cost $28.2 billion over 5 years and $104.5 billion over 10 years. But that is far from the whole story. Because of the way the bill is phased in, its true cost is cleverly hidden and does not show up until after the 10-year budget window.

That means the full effects of the Republican bill will come just at the time when we will have to face budget pressures because my own ''baby boom'' generation is starting to retire. And if we feel we need to ''phase in'' H.R. 8 because we cannot afford the full repeal now, how are we ever going to afford it 10 years from now?

We do not need to engage in this fiscal overkill.

According to the Treasury Department, under current law only 2% of all decedents have enough wealth to be subject to the estate tax at all.

To be more specific, the Treasury Department tells me that in 1997 estate-tax returns were filed for only 297 Coloradans.

Furthermore, according to the Treasury Department, of those estates that are affected by the estate tax, only 3%—that is only 6 in 10,000 American estates—were comprised primarily of family-owned small businesses, ranches, or farms.

Looking just at our state, that means that in 1997 fewer than a dozen estate-tax returns were comprised primarily of small businesses, ranches, or farms.

Of course, those numbers only relate to the cases in which an estate tax was actually paid. Clearly, in many other cases families have taken actions to forstall the estate tax. I understand that, and do think that in appropriate cases we should lessen the pressure that prompted some of those actions.

As I said, the Democratic alternative would have provided real, effective, and immediate estate-tax relief to the owners of small businesses, including farms and ranches, and would have done so in a fiscally responsible way. That is why I voted for it.

In contrast, the biggest beneficiaries of the Republican legislation are not these middle-class families who own small ranches or farms or other small businesses, but instead are very wealthy families with very large assets.

Over the past two decades, income and wealth disparities have increased. The Republican bill would increase those wealth disparities. I find this troubling, and it is another reason why I am not voting to override the President's veto.

I greatly regret that on this issue the Republican leadership has rejected bipartisanship. They have opted for confrontation with the President instead of cooperation in crafting a bill that could be signed into law. That is not a course I can support.

Mr. Speaker, if the President's veto is sustained—and I think it will be—we will have another chance to take a better path. I hope that the Republican leadership will decide to reach across the aisle and work to develop a better bill that can be signed before this Congress adjourns. If they do, they will find me ready to help.

Mr. LANTOS. Mr. Speaker, I will vote today to uphold the President's veto of the Estate Tax Elimination Act (H.R. 8).

When this legislation was first considered in the House in June, I strongly supported and voted for the Democratic alternative which was presented by Congressman RANGEL of New York. That proposal called for a significant reduction in the rate of taxation of estates and a 50 percent increase in the small business exclusion. The Rangel proposal was a thoughtful and reasonable effort to deal with the legitimate concerns of small businesses and family farms, but it did not have the problems of the legislation which was being urged by the Republican majority.

When the Rangel substitute was defeated by the House, I nevertheless voted for the adoption of H.R. 8 in order to continue the legislative process. Initial Senate action was much closer to the Rangel substitute, and I expected a House-Senate Conference Committee to produce a bill that I could support.

Unfortunately, Mr. Speaker, the Senate simply accepted the flawed version of the bill as adopted by the House and did not make those changes that would improve the legislation. President Clinton was right to veto this bill, and I will vote to sustain that veto.

Mr. Speaker, I urge my colleagues in the Republican leadership of this House to work with the Democratic leadership and with the President to craft legislation that deals with the legitimate problems of estate taxation and that provides the relief small businesses need. We need to deal with legitimate problems with the federal estate tax, but this bill is clearly the wrong way to do that.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of overriding the President's veto of H.R. 8, the death tax Elimination Act of 2000 and I urge my colleagues to lend this effort their support.

The estate tax is an outmoded policy that has long outlived its usefulness. Alternatively known as the death tax, this tax was instituted in 1916 to prevent too much wealth from congregating with the wealthy capitalist families in early 20th century America. Regrettably, the law failed in its original purpose, as the truly wealthy are always able to shelter their income with the help of tax attorneys that the middle-class cannot afford.

In recent years, the estate tax has been responsible for the death of 85% of American small business by the third generation. Furthermore, countless number of farms have had to be sold in order to pay an outrageously high estate tax, ranging as high as 55% of the farms assessed value.

By forcing the sale of such farmland to outside buyers, often commercial developers, the estate tax has been a major contributor to suburban sprawl and unchecked growth in my congressional district in southern New York.

The most indefensible point about the estate tax, however, is the cost associated with enforcing and collecting at 65 cents out of every dollar taken in.

Given this cost, as well as the fact that the assets taxed under the estate tax have often already been taxed several times, it makes no sense to continue this illogical practice. Family-owned small businesses certainly would do better without the tax, as would family farms that still operate from generation to generation.

Accordingly, I urge my colleagues to join in supporting this veto override.

Mr. BENTSEN. Mr. Speaker, I rise in opposition to the override of H.R. 8. I am disappointed that Congress has been incapable of passing a measure to provide fiscally sound estate tax relief that could be signed into law this year.

During consideration of H.R. 8, I supported the Rangel Substitute Amendment, legislation that would have immediately cut all estate tax rates by 20% immediately and would have eliminated any estate tax for more than half of the people with the smallest estates who otherwise would have to pay some estate tax. The special exclusion that applies to estates would be increased to $1.1 million in 2001, not 2006 as under current law. Moreover, under this measure, 99% of family-owned small businesses and farms would be exempted from estate tax by increasing the special exclusion to $4 million per couple for small businesses and family-owned farms. Thus, rather than applying to the top 2% of all estates, only the top 1% would be subject to any tax. The cost of this measure would be $22 billion over ten years.

Current law exempts from federal tax all estates up to $675,000 in 2000. This exemption will rise to $1,000,000 by 2006, with any federal estate tax applying only to the current value in excess of this amount. Estates in excess of the exemption are taxed at a marginal rate of between 18 and 55 percent. Furthermore, current law provides for closely-held, non-public businesses and farms to receive an exemption of $1.3 million before being subject to any federal estate tax. For estates owned by married couples, this exemption is $2.6 million. And, family farms are exempt from any tax for ten years, if the heirs continue to operate the farm. Estates passed onto a spouse are not subject to tax.

Complete repeal of the estate tax is skewed to give only the wealthiest 2% of families in America the largest tax cuts and would actually give less relief to smaller estates than the Democratic alternative for at least the first five years. Ninety-eight percent of Americans would see no benefit from H.R. 8, while 330 estates, valued at more than $20 million each, would see a tax benefit of approximately $10,530,850. It is a myth that H.R. 8 will enhance protections for small businesses and farms. Only about 3% of the total number of family-owned businesses and farms are subject to the estate tax according to the Treasury Department. It has been estimated that fewer than one in 20 farms will have to pay the estate tax upon the death of the owner. This is due, in large part to the passage in 1997 of the Taxpayer Relief Act (P.L. 105–34) which raised the effective deduction for qualified family-owned business interests to $1.3 million per individual, which exempts almost all family farms and small businesses. Moreover, the few businesses and farms that are subject to the estate tax can make payments in installments over fourteen years at below-market interest rates.

But, repeal of the estate tax will result in a revenue loss of $105 billion in the first ten years, rising to an annual loss of $50 billion by 2011 and the cost in the second ten years would be at least $750 billion. Thus, over twenty years, the total cost of H.R. 8, including extra interest, will be more than $1.0 trillion. Where does the Majority propose to make up the difference? How do they propose to pay for other priorities like Medicare, Social Security and improvements to education?